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UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSY CONSTELLATION NEWENERGY, INC.,

Plaintiff,

-against-

Civil Action No. 02-CV-2733

POWERWEB TECHNOLOGIES, INC., et al.,

Defendants.

10:00 a.m.

January 8, 2004

"CONFIDENTIAL"

Deposition of DEIRDRE LORD, taken by Defendants, pursuant to Scheduling Order, at the offices of Wolf, Block, Schorr & Solis-Cohen, LLP, 250 Park Avenue, New York, New York, before Phyliss Salimbene, a Registered Professional Reporter and Notary Public within and for the State of New York.

Exhibit I



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DEIRDRE LORD - Confidential deal into any kind of general classification of projects; like, does it fall into a certain type of deal that you would recognize as some kind of category?

- A. In general, it is a capacity project, that's how I would generally -- capacity sale and curtailment project.
- Q. Prior to the Bell Atlantic deal, were you familiar with any other capacity sale projects done or entered into by NewEnergy?
- A. By any region in NewEnergy, not just New York and New Jersey?
- Q. Well, let's start with, let's break them down: What are the regions for NewEnergy so we can make sure we're talking about the same thing?
- A. At the time the regions were California, New York and New Jersey, New England, mid-Atlantic and Illinois.

MR. SWEET: "At the time," meaning late '99, early 2000?

THE WITNESS: Correct.

Q. So were you aware of any other capacity --

DEIRDRE LORD - Confidential Capacity sale projects, yes.

- Q. For New York/New Jersey?
- A. No.
- Q. What about for New England?
- A. No.

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- Q. What about for mid-Atlantic?
- A. No.
- Q. Any other A.E.S. regions?
- A. California, yes.
 - Q. What kind of capacity sale projects had A.E.S. done in California, A.E.S. NewEnergy done in California?
 - A. As I recall, the California ISO paid customers to curtail and sell capacity and energy in periods of high cost, high-priced power cost in the summers, and this would have been summer of '99, I believe.
 - Q. Do you know whether or not A.E.S.

 NewEnergy's California region actually had any
 customers that participated in that program?
 - A. Yes, they did.
 - Q. And do you know how many customers participated?
 - A. No, I don't.